

## Message Text

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ACTION EB-08

INFO OCT-01 AF-08 ARA-06 EUR-12 NEA-10 ISO-00 L-03 FRB-03  
OMB-01 ITC-01 SP-02 USIA-06 AGRE-00 AID-05 CIAE-00  
COME-00 INR-07 IO-13 LAB-04 NSAE-00 OIC-02 SIL-01  
STR-04 TRSE-00 CEA-01 /098 W  
-----081205Z 070827 /10

R 081008Z MAR 77  
FM AMEMBASSY BRUSSELS  
TO SECSTATE WASHDC 9246  
INFO AMEMBASSY BRASILIA  
AMEMBASSY DAR ES SALAAM  
USMISSION EC BRUSSELS  
AMEMBASSY LONDON  
AMEMBASSY MAPUTO  
AMEMBASSY MEXICO  
AMEMBASSY NAIROBI  
AMEMBASSY NEW DELHI  
AMEMBASSY OTTAWA  
AMEMBASSY ROME

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ROME FOR FAO ADVISOR

E. O. 11652: N/A  
TAGS: ETRD, FAO, IN, BE  
SUBJECT: FAO MEETING ON HARD FIBERS

REF: (A) STATE 45325, (B) ROME 3445

1. ACCORDING TO SURQUIN, THE BELGIAN FOREIGN MINISTRY'S  
EXPERT ON COMMODITY POLICY, THE BELGIAN DELEGATION AT  
THE NEW DELHI MEETING NEXT WEEK WILL NOT RPT NOT PLAY AN  
ACTIVE ROLE.

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2. BELGIUM BELIEVES THAT THE CURRENT PROBLEM CENTERS ON BRAZIL'S  
ATTEMPT TO FORCE BOTH EUROPEAN PROCESSORS AND, EVENTUALLY, SMALLER,  
POORER SISAL PRODUCERS OUT OF THE INTERNATIONAL TWINE  
MARKET. THERE IS NOTHING THAT CONSUMERS CAN DO ABOUT THIS NEXT  
WEEK, SURQUIN SAID; IN THE CURRENT OVERSUPPLY SITUATION, IT  
WOULD SEEM TO BE IN MOST PRODUCERS' INTEREST TO FORCE  
CLOSER SURVEILLANCE OF INDICATIVE PRICE/QUOTA ARRANGEMENTS,

BUT HE DOUBTS THAT THEU WILL BE ABLE TO TAKE THE LEAD.

3. SURQUIN SAID THAT THIS ATTITUDE IS SHARED THROUGHOUT THE EUROPEAN COMMUNITY, AS WITNESS THE EC'S RECENT DUMPING CASE LEVIED AGAINST BRAZIL AND MEXICO. IMPLICIT IN THIS CASE IS THE ASSUMPTION THAT RAW MATERIAL AND TWINE PRICES MUST BE LINKED AND DIFFERENTIATED. BELGIUM SUPPORTS THE FAO'S SUGGESTED US \$200/TON AS A REASONABLE DIFFERENTIAL. BECAUSE OF THE CURRENT "STATE OF ANARCHY" IN THE TWINE AND SISAL MARKET, BELGIUM'S PROCESSING INDUSTRY IS IN SERIOUS DIFFICULTY, AS IS THAT IN OTHER EC COUNTRIES. THE BRAZILIANS' PRESSURE ON THE MARKET COULD EVENTUALLY PROVE TO BE SELF-DEFEATING, HOWEVER, SINCE IT COULD DRIVE EUROPEAN PROCESSORS COMPLETELY INTO PRODUCTION OF SYNTHETIC TWINE, WHERE THEY MIGHT WELL BE MORE COMPETITIVE INTERNATIONALLY.

4. SURQUIN CONCLUDED BY SUGGESTING THAT THE SITUATION IN HARD FIBERS SEEMS RIPE FOR PROMOTION OF AT LEAST A MARKET "UNDERSTANDING" UNDER UNCTAD AUSPICES. HE NOTED THAT THE COMMODITY IS ALREADY UNDER ACTIVE CONSIDERATION AS PART OF HE INTEGRATED PROGRAM AND HAS SEVERAL LEAST-DEVELOPED PRODUCERS. IN SUCH CIRCUMSTANCES, AN INFORMAL AGREEMENT TO IMPROVE THE MARKET'S FUNCTIONING (WITHOUT BUFFER STOCKS OR PRICE-RIGGING) COULD PAY BOTH ECONOMIC AND POLITICAL DIVIDENDS, SURQUIN SAID, PARTICULARLY IN THE ADMITTEDLY UNLIKELY EVENT THAT SYNTHETIC PRODUCERS COULD BE BROUGHT IN AS WELL. HE GAVE AS HIS PERSONAL VIEW THE HOPE THAT THERE WILL BE FURTHER CONSTRUCTIVE THOUGHT ON THIS PROBLEM WITHIN THE USG.RENNER  
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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
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**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
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**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 77 STATE 45325, 77 ROME 3445  
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**Review Event:**  
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**Review Release Event:** n/a  
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**Review Withdrawn Fields:** n/a  
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**TAGS:** ETRD, IN, BE, FAO  
**To:** STATE  
**Type:** TE  
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**Review Markings:**  
Margaret P. Grafeld  
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22 May 2009  
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